

State of South Carolina

Office of the Governor

MARK SANFORD GOVERNOR Post Office Box 12267 COLUMBIA 29211

August 20, 2003

The Honorable André Bauer President of the Senate State House, 1st Floor, East Wing Columbia, South Carolina 29202

Mr. President and Members of the Senate:

I am hereby returning without my approval S. 194, R-136, an Act:

TO AMEND SECTION 9-1-10, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS FOR PURPOSES OF THE SOUTH CAROLINA RETIREMENT SYSTEM, SO AS TO DELETE FROM THE DEFINITION OF "EMPLOYEE" THE EXCLUSION FROM COLLEGE WORK-STUDY STUDENTS AND GRADUATE ASSISTANTS; AND TO AMEND SECTION 9-1-1790, AS AMENDED, RELATING TO RETIRED MEMBERS OF THE SOUTH CAROLINA RETIREMENT SYSTEM WHO RETURN TO COVERED EMPLOYMENT, SO AS TO REDUCE FROM SIXTY DAYS TO FIFTEEN CONSECUTIVE CALENDAR DAYS TO TIME A MEMBER MUST BE RETIRED BEFORE RETURNING TO COVERED EMPLOYMENT AND ALLOWED TO RECEIVE RETIREMENT BENEFITS UNTIL MEETING THE EARNING LIMIT FOR THE YEAR.

This veto is based upon my belief that Section 1 of S. 194, R-136, could impose a severe financial burden on the State's public colleges and universities by expanding the group of public employees who can participate in the South Carolina Retirement System ("SCRS") to all workstudy students and graduate assistants employed by a school, college or university.

The cost to the thirty-three state supported colleges and universities is estimated to be approximately \$724,000 each year according to analysis prepared by the Office of State Budget. This estimate is based on ten percent participation in the SCRS by all work-study and graduate students employed by the thirty-three state supported colleges and universities. The State's research universities, Clemson University, the University of South Carolina and the Medical University of South Carolina, will bear the weight of this burden because they employ the majority of work-study and graduate students. The cost in employer contributions to the research universities if all of their work-study students and graduate assistants participated in the SCRS is estimated to be approximately \$5.95 million.

The Honorable André Bauer August 20, 2003 Page 2

Additionally, it is my belief that students employed by public colleges and universities should not be able to participate in the SCRS because their employment is temporary and their intentions to remain employed in government is highly unpredictable.

Although I do not object to Section 2 of S. 194, R-136, the South Carolina Constitution prevents me from vetoing specific objectionable provisions of this bill. I am vetoing this bill because I believe that most students are not likely to enjoy the long-term benefits of membership in the SCRS and the potential fiscal impact to our state supported colleges and universities is unduly burdensome.

Sincerely,

Mark Sanfor Governor